



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

April 26, 2010

Rod Smith, Vice President
Bayless Engineering & Manufacturing
26100 Avenue Hall
Valencia, CA 91355

Dear Mr. Smith:

RE: FINAL MONITORING VISIT REPORT – Bayless Engineering – ET08-0479

Date of the Visit:	04/23/10
Beginning/Ending Time:	9:30 a.m. – 1:00 p.m.
Date of Last Visit:	02/09/10
Visit Location:	Valencia
Persons in attendance:	Andrea McAfee, Controller, Bayless Engineering Rachael Robinson, Receptionist, Bayless Engineering Lan Vuong, ETP Project Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/28/08 – 04/27/10	Agreement Amount:	\$74,250
Training Start Date	04/28/08	No. to Retain:	55
Date Training must be completed:	01/26/10	Range of Hours:	24 – 150
Type of Trainee:	Retrainee	Weighted Average:	75

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FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on May 20, 2008, and training began on April 28, 2008. Ms. McAfee reported that all training was completed on January 21, 2010, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – April 27, 2010.

ETP approved a request on 01/27/10, to change contract representative.

ETP also approved one Agreement Modification on February 10, 2010, to increase maximum training hours from 90 to 150.

• FINAL PROJECT STATISTICS

Your Agreement contains a variable reimbursement training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 150 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

According to Ms. McAfee, of the 55 trainees specified on Chart 1, Exhibit A of the Agreement, only 22 trainees completed training and the 90-day retention period. The ETP Class/Lab Tracking Report shows that you have delivered 1,139.25 class/lab training hours for 22 trainees who meet the minimum hours. This resulted in a completion rate of 40 percent of the number of trainees and approximate earnings of \$20,506.50 which is 28 percent of the Agreement amount.

To date, your company has been paid \$15,375.75 in unearned funds; therefore you will receive an additional \$5,130.75, if the anticipated number to retain is verified during the final fiscal closeout.

Ms. McAfee and Ms. Robinson were reminded that this Agreement term end date of April 27, 2010. By the terms of the Agreement the final contract closeout should have been completed within 30 days of the end term date of the Agreement. They informed the Analyst that they will submit the final contract closeout invoice and associated documents to ETP on or before the close of business on May 27, 2010.

• INTERVIEW WITH CONTRACTOR'S REPRESENTATIVE

Ms. McAfee reported that the company was not able to provide all the training originally intended in this Agreement because the slow economy has forced the company to lay off employees before completing the minimum of 24 training hours and the 90-day retention period.

Ms. McAfee and Ms. Robinson stated that although Bayless did not earn 100 percent of the available funds, the training provided to the employees in Continuous Improvement and Computer Skills was very beneficial and practical to their jobs. They have better knowledge of internal software system which helps them working independently and confident in their jobs. In addition, they have better communication and social skills with their co-workers and customers.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	57	Completed Training:	22
Trainees Enrolled:	57	In Retention Period:	0
Dropped Following Enrollment:	35	Completed Retention	22
Completed Minimum Required Hours for reimbursement:	22		

The project statistics provided by your project staff matches those listed on the ETP Contract Status Report.

TRAINING RECORDS

Ms. Vuong conducted a random sampling of 6 trainees who completed training and retention. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between **28.75 and 142.25** total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked

- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact Lan Vuong within ten (10) working days at (818) 755-1306 or by email at lvuong@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on file

Wally Aguilar, Program Manager
North Hollywood Regional Office

Signature on file

Lan Vuong, Project Analyst
North Hollywood Regional Office

cc: Andrea McAfee, Controller, Bayless Engineering (via email)
Rachael Robinson, Receptionist, Bayless Engineering (via email)

David Guzman, Chief, Audits & Program Operations Division, ETP (via email)
Kulbir Mayall, Manager, Fiscal and Certification, ETP (via email)

Master File
Project file

Date report mailed to Contractor 4/28/10